

No. 9388. 7446⁰²¹

#7-13

1953-59



Metropolitan Transit Authority

BOARD OF TRUSTEES

PARK SQUARE BUILDING

BOSTON 16, MASSACHUSETTS

NINTH ANNUAL REPORT
of the
BOARD OF TRUSTEES
of the
METROPOLITAN TRANSIT AUTHORITY

To His Excellency the Governor,
to the General Court, and to the
Trustees of the Boston Metropolitan District:

In accordance with the requirements of Chapter 544 of the Acts of 1947, as amended, the Trustees of the Metropolitan Transit Authority herewith file the ninth annual report of the Authority, which covers the results of operations for the calendar year 1955.

SUMMARY OF REPORT

Total deficit of the Authority, including all fixed charges, for 1955 amounted to \$6,714,634.63. This is an increase of \$241,140.10 above the deficit in the previous year.

Income of the Authority in 1955 was \$38,302,275.27. This is a decrease of \$322,334.46 from income in 1954.

Net results of operations as specified by Chapter 196 of the Acts of 1954, showed a loss of \$915,178.06. This is an increase of \$184,255.48 over the comparable figure of 1954.

On July 6, 1955, the Board made application to the Department of Public Utilities seeking approval of an increase in adult fares. The petition proposed to abolish the special token fare of 5 for 90¢. It proposed that both cash and token fares be twenty cents for system fare, and that the local fare be increased to fifteen cents. The petition was not heard until September 22. Permission to make the increase was granted September 30 and went into effect October 1.

In the last three months of 1955 results of operations, before fixed charges, produced operating income of \$175,131.

OPERATIONS COSTS REDUCED

The Board, aided by the loyal efforts of our personnel, was able to reduce total operating expenses during 1955 by \$144,448.87. This was accomplished despite payment of increased wages to employees. The number of revenue miles operated was decreased by 1,401,532. This was made possible by further elimination of little-patronized trips in off-peak hours on workdays; and on Saturdays and Sundays.

A major factor in cutting operations, which were producing a large out-of-pocket cost, was a complete rearrangement of so-called "Owl" service, operating between the hours of 1:30 and 5 o'clock a.m. By having all this service performed by buses operating on surface lines; combining routes so that number of lines



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operated was reduced from 36 to 18; and closing all subways during the early morning hours, management reduced out-of-pocket costs of "Owl" service approximately \$200,000 per year.

A theory, popular with those who are not familiar with actual facts and figures, is that patronage which can be attracted to a public transportation system is predicated on frequency of service. Unfortunately, this does not work out in actual practice, as is clearly indicated on the MTA in 1955. Total miles of revenue service operated was reduced 3.31%. Total number of passengers carried decreased 7.8%.

PATRONAGE CONTINUES TO DROP

The total number of revenue passengers carried in 1955 was 225,077,915. This is a reduction of 19,034,368 from the number carried in 1954. The number of passengers carried at the 5¢ fare, established by the Legislature as applicable to children between 5 and 14 years of age, inclusive, and those using pupils' tickets, showed an increase during 1955 of 1,248,231. Chapter 612 of the Acts of 1952 which established the 5¢ children's fare applicable at all times, reduces income by approximately \$500,000 per year.

Principal cause of loss of passengers continues to be use of the private automobile, particularly by those who commute in this manner on workdays. The automobile also has greatly reduced riding on weekends and the holidays. Another important factor is the shift of working and residential locations by former MTA patrons.

PARKING LOT PATRONAGE CONTINUES TO INCREASE

During the year, MTA parking lots again showed a continued increase in patronage. In 1955 a total of 520,537 automobiles were parked in MTA lots. This is an increase of 11.5% above the number parked in 1954. The increase would have been greater had not some of the lots, particularly those located at the Everett terminal, suffered a temporary decrease in patronage because of highway construction which discouraged motorists from using these particular lots.

An additional lot was opened at Beachmont in June, because the lot at Wonderland was, and still is, being patronized to capacity. It is interesting to note that some of the lots are being patronized beyond capacity some days, through their use for short-parking periods.

There is still opportunity at most of the lots to accommodate additional patronage. Studies are being made as to how additional parking facilities can be secured as fast as existing lots reach capacity.

PROMOTIONAL PROGRAM CONTINUED

A modest program of advertising, principally in newspapers, and on radio, was continued during the year in an effort to attract more motorists to MTA lots, instead of their driving automobiles in and out of Boston each day. The fact that patronage of MTA lots continues to show an increase indicates the advisability of such advertising.

IMPROVEMENTS IN SERVICE

A hundred new diesel buses were put in service during 1955. These replaced streetcar operation between:

- (a) Mattapan and Egleston Square (Sept. 7)
- (b) Arlington Heights and Harvard Square (Nov. 19)
- (c) Fellsway (Elm St.) and Sullivan Square (Dec. 17)
- (d) Arborway and Egleston Square (Dec. 17)

PCC cars released from these lines replaced older type equipment on the "High Speed Trolley Line" between Mattapan and Ashmont Stations.

The new Science Park Station on the Lechmere lines was opened in mid-August. Patronage of this station has been, and continues to be, negligible.

Limited-stop rush hour service, providing faster transportation for commuters, was established on lines between Sullivan Square and Clarendon Hill; Sullivan Square and Salem Street, Medford; and Everett Station and Malden Square on the Lebanon Street line.

Express bus service for commuters was established between Lechmere and Medford Hillside on the Lechmere-Arlington Center line.

An automatic car washer was put in service at Forest Hills for washing rapid transit equipment in a more economical manner.

New, modern lighting facilities were installed at

Park Street	Copley	Park Under
Washington	Devonshire	Haymarket
Dudley Lower	Scollay Under	

The program of modernizing lighting in rapid transit cars on the Everett-Forest Hills line and the Cambridge-Ashmont line was continued during 1955. About 70% of the cars were completed this year. The remainder will be completed in 1956.

NEW SURFACE LINES BEING SOUGHT

Requests for establishment of additional routes to serve territories adjacent to existing lines continue to be made by groups, or interested individuals.

Studies of these situations by those familiar with transportation and its operating costs indicate that in many instances to establish these lines would accomplish nothing but to add to the deficit from operations. The Board believes it should continue to decline to attempt such operations, unless studies by those familiar with the intricate problems of public transportation operation indicate there is at least a possibility of any proposed new service meeting its out-of-pocket costs.

PROSPECTS FOR 1956

It is our considered judgment that total income of the Authority in 1956 will probably be slightly less than that received in 1955.

Payrolls in 1956 will be approximately one million dollars larger than in 1955. This despite the fact that the number of employees on weekly payrolls in the week of December 16, 1955, totalled 5,980, as compared to 7,315 in the week of April 10, 1953. The present Board assumed office at the end of March, 1953. An average weekly wage in April, 1953, was \$77.21, as compared with \$89.65 in December of this year.

We shall continue our best efforts to find further ways in which the amount of patronage can be stabilized and new customers attracted to MTA service. We are already experimenting with special express bus service on the John F. Fitzgerald Highway, at a premium fare of 5¢ above the regular rate. This experiment should prove whether additional patronage, at a premium fare, can be attracted to a faster service paralleling existing regular-fare routes.

We are continuing our studies seeking more efficient methods of operations at lower costs.

Studies are also being continued to find means of improvements in service which, like the change from streetcars to buses on the Arlington Heights-Harvard Square; and the Elm Street (Fellsway)-Sullivan Square line, could result in additional patrons being attracted to MTA service. Both these lines are carrying more passengers now than they did when streetcars were operating over them.

* * * * *

OPERATING EXPENSES

Actual operation results of the Authority for the calendar year of 1955, as compared with the same period of 1954, were as follows:

	<u>YEAR 1955</u>	<u>YEAR 1954</u>	<u>DECREASE</u>
Wages	\$28,314,848.59	\$28,379,931.21	\$65,082.62
Materials, Services and other items	4,163,455.70	4,224,724.74	61,269.04
Injuries and damages	1,288,829.35	1,277,655.66	11,173.69 Inc.
Depreciation	1,200,000.00	1,200,000.00	-
Fuel	1,931,624.67	1,868,816.65	62,808.02 Inc.
Power Interchange (Net)	134,189.01 Cr.	63,606.19 Cr.	70,582.82
MTA Retirement Fund	1,675,047.21	1,696,543.31	21,496.10
TOTAL OPERATING EXPENSES	\$38,439,616.51	\$38,584,065.38	\$144,448.87

FIXED CHARGES

Under the law of the Commonwealth, as at presently constituted, certain so-called fixed charges must be included as a part of the cost of service. These items are composed of taxes, interest on bonds, payments on funded debt and Cambridge Subway rental.

The following table compares these items for 1955 and 1954:



YEAR ENDED DECEMBER 31

	<u>1955</u>	<u>1954</u>
Taxes	\$ 767,649.62	\$ 721,087.46
Cambridge Subway Rental	388,323.34	390,391.66
Interest on Bonds	3,633,709.81	3,592,180.29
Payment on Funded Debt. - B. M. D.	1,864,000.00	1,838,000.00
Miscellaneous Items	<u>10,187.20</u>	<u>50,379.47</u>
TOTAL	\$6,663,869.97	\$6,592,038.88

* * * * *

FINANCIAL STATEMENTS

The balance sheet of the Metropolitan Transit Authority at December 31, 1955, related statement of income and cost of the service, detail of operating expenses, for the year ended December 31, 1955, together with notes relating to these financial statements are appended to this report.

Respectfully submitted,

BOARD OF TRUSTEES

METROPOLITAN TRANSIT AUTHORITY

(Signed) Frank W. Rourke, Chairman

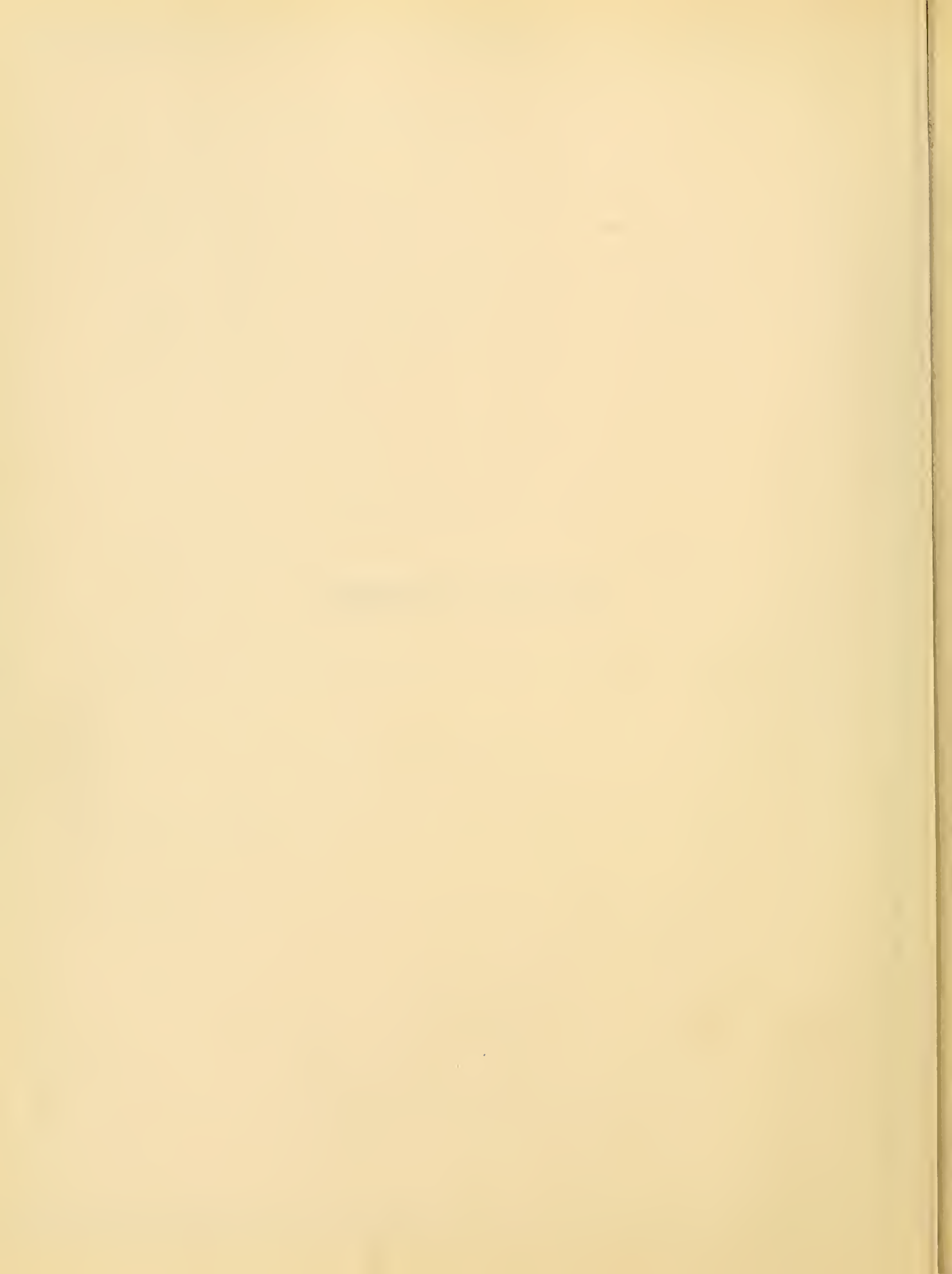
" Harold D. Ulrich

" Horace Schermerhorn

March 1, 1956



FINANCIAL STATEMENTS



METROPOLITAN TRANSIT AUTHORITY

BALANCE SHEET-DECEMBER 31, 1955

ASSETS

Fixed assets (Note A):

Road and equipment.....	\$112,636,983.43
Miscellaneous physical property	<u>240,657.25</u>
	112,877,640.68
Less - Reserve for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned (Note B)	<u>46,015,563.88</u>
	<u>66,862,076.80</u>
Subways, tunnels and other facilities:	
Acquired from the City of Boston as of August 3, 1949 in accordance with Chapter 544 of the Acts of 1947 as amended by Chapter 572 of the Acts of 1949	40,225,550.43
Constructed by Metropolitan Transit Authority since August 2, 1949	<u>19,181,215.21</u>
	59,406,765.64
Less - Amortization through debt retirement reimbursed to the Authority (Paragraph (1) of Section 8A of Chapter 544 of the Acts of 1947 as amended and Section (7) of Chapter 649 of the Acts of 1949 as amended) (Note C)	<u>4,350,222.28</u>
	<u>55,056,543.36</u>
Total fixed assets, less reserve and amortization	<u>121,918,620.16</u>

Current assets:

Cash in banks and on hand (incl. \$219,930.37 deposited for payrolls).....	2,241,324.94
United States Treasury Bills	1,496,830.68
Special deposits	279,637.22
Commonwealth of Massachusetts - Amounts receivable under Chapter 544 of the Acts of 1947 as amended:	
Assessable deficit - per accompanying statement of income and the cost of the service	\$6,714,634.63
Less - Amount advanced by Commonwealth of Massachusetts in accordance with Section 13A of Chapter 544 of the Acts of 1947 inserted in said Chapter 544 by Chapter 409 of the Acts of 1954 (Note D)	<u>2,500,000.00</u>
	4,214,634.63
Miscellaneous accounts and rents receivable	449,706.35
Material and supplies, at cost less reserve	2,541,926.90
Other current assets	<u>67,970.44</u>
Total current assets	11,292,031.16

Other assets:

Special deposits available only for:	
Extension of rapid transit facilities as provided for by Chapter 692 of the Acts of 1945 as amended and to the extent of \$420,837.05 for establishing off-street parking facilities, all as provided for under Chapter 544 of the Acts of 1947 as amended	653,705.83
Alterations to subways and tunnels as provided for by Chapter 417 of the Acts of 1954 inserted in Section 6A of Chapter 649 of the Acts of 1949 as amended	25,016.14
Extension of East Boston Rapid Transit facilities to Revere and to the extent of \$43,915.90 for studies, preliminary plans and estimates of cost for the extension of the Cambridge Subway, all as provided under Chapter 649 of the Acts of 1949 as amended and affected by Chapter 613 of the Acts of 1952	77,351.75
Purchase of revenue equipment as provided under Chapter 544 of the Acts of 1947 as amended	115,828.50
Mortgage note receivable	<u>3,633.07</u>
Total other assets	<u>875,535.29</u>

Deferred charges and unadjusted debits:

Prepaid expenses	116,242.63
Unadjusted debits	<u>82,133.60</u>
Total deferred charges and unadjusted debits	<u>198,376.23</u>

TOTAL ASSETS \$134,284,562.84

(See accompanying notes to financial statements)

METROPOLITAN TRANSIT AUTHORITY

BALANCE SHEET-DECEMBER 31, 1955

LIABILITIES

Funded debt (all held by Boston Metropolitan District) - per accompanying statement (Note E):

Bond of Metropolitan Transit Authority, dated August 3, 1949 under authority of Section 7A of Chapter 544 of the Acts of 1947 as amended (less \$1,000,000. included in current liabilities below)	\$63,918,371.89
Rapid transit bond of Metropolitan Transit Authority, dated August 3, 1949, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$536,259.27 included in current liabilities below)	36,465,630.54
Bond of Metropolitan Transit Authority, dated November 25, 1949 under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$102,000. included in current liabilities below)	6,936,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1951, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$60,000. included in current liabilities below)	4,200,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1951, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$13,333.34 included in current liabilities below)	920,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1951, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$11,000. included in current liabilities below)	770,000.00
Bond of Metropolitan Transit Authority, dated January 15, 1952, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$22,000. included in current liabilities below)	1,562,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1953, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$15,000. included in current liabilities below)	1,080,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1953, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$32,000. included in current liabilities below)	2,304,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1954, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$10,000. included in current liabilities below)	730,000.00
Serial bonds of Metropolitan Transit Authority issued under authority of Section 22 of Chapter 544 of the Acts of 1947 as amended (less \$878,000. included in current liabilities below)	8,826,000.00
	<u>127,712,002.43</u>

Current liabilities:

Funded debt installments payable within one year	2,679,592.61
Accounts and wages payable	1,243,412.21
Accrued interest and rents payable	596,318.81
Accrued Federal old age benefit tax	91,429.36
Provision for injury and damage claims	1,209,881.71
Unredeemed tickets and tokens	328,000.39
Employee withholdings and other liabilities	334,033.41
Total current liabilities	<u>6,482,668.50</u>

Deferred and unadjusted credits:

Unamortized premium on funded debt	85,453.68
Unadjusted credits	4,438.23
Total deferred and unadjusted credits	<u>89,891.91</u>

<u>TOTAL LIABILITIES</u>	<u>\$134,284,562.84</u>
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(See accompanying notes to financial statements)

METROPOLITAN TRANSIT AUTHORITY

Statement of Funded Debt - December 31, 1955

(All held by the Boston Metropolitan District)

<u>NOTE</u>	<u>ISSUE DATE</u>	<u>TERM</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>PRINCIPAL AMOUNT</u>
A	Apr. 15, 1948	10 Years	Apr. 15, 1958	1.50%	\$250,000.00
B	Dec. 1, 1948	15 Years	Dec. 1, 1963	1.75%	1,160,000.00
C	Aug. 3, 1949	Fixed	Dec. 1, 2020	(see note)	64,918,371.89
D	Aug. 3, 1949	Fixed	Nov. 20, 2024	(see note)	37,001,889.81
E	Nov. 25, 1949	30 Years	Nov. 25, 1979	2.00%	7,038,000.00
F	Dec. 1, 1949	15 Years	Dec. 1, 1964	1.50%	241,000.00
G	Mar. 1, 1951	30 Years	Mar. 1, 1981	(see note)	933,333.34
H	Mar. 1, 1951	30 Years	Mar. 1, 1981	1.50%	4,260,000.00
I	Mar. 1, 1951	30 Years	Mar. 1, 1981	1.50%	781,000.00
J	Mar. 1, 1951	10 Years	Mar. 1, 1961	1.50%	642,000.00
K	Mar. 1, 1951	20 Years	Mar. 1, 1971	1.50%	1,341,000.00
L	Mar. 1, 1951	30 Years	Mar. 1, 1981	1.50%	3,305,000.00
M	Jan. 15, 1952	30 Years	Jan. 15, 1982	2.10%	1,584,000.00
N	Jan. 15, 1952	9 Years	Jan. 15, 1961	2.10%	396,000.00
O	Mar. 1, 1953	30 Years	Mar. 1, 1983	2.75%	1,095,000.00
P	Mar. 1, 1953	30 Years	Mar. 1, 1983	2.75%	2,336,000.00
Q	Mar. 1, 1953	10 Years	Mar. 1, 1963	2.50%	448,000.00
R	Mar. 1, 1953	11 Years	Mar. 1, 1964	2.50%	135,000.00
S	Mar. 1, 1953	20 Years	Mar. 1, 1973	2.50%	1,329,000.00
T	Mar. 1, 1954	30 Years	Mar. 1, 1984	2.30%	740,000.00
U	Mar. 1, 1954	10 Years	Mar. 1, 1964	2.30%	90,000.00
V	Mar. 1, 1954	9 Years	Mar. 1, 1963	2.30%	136,000.00
W	Mar. 1, 1955	15 Years	Mar. 1, 1970	2.00%	<u>231,000.00</u>
TOTAL FUNDED DEBT - December 31, 1955					\$130,391,595.04
LESS - Payments due in 1956 in current liabilities					<u>2,679,592.61</u>
NET FUNDED DEBT - Payable after 1956					\$127,712,002.43

(See notes on following pages)

NOTES ON FUNDED DEBT

- A Equipment serial bonds. Original issue \$1,000,000. payable \$50,000. semi-annually on April 15 and October 15. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- B Equipment serial bonds. Original issue \$2,175,000. payable semi-annually \$72,000. on June 1 and \$73,000. on December 1. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- C Refunding bond. Original issue \$71,418,371.89 payable \$500,000. each June 1 and December 1 and final installment of \$418,371.89 on December 1, 2020. (Issued under Section 7A, Chapter 544, Acts of 1947 as amended.)

The interest payable on this bond is the interest payable by the Boston Metropolitan District on their contra debt and refunding issues.

- D Rapid Transit bond. Original issue \$40,219,445.43 payable in 75 installments of \$536,259.27 on each November 20. This amount is paid by the State to the Authority each November 20 and a like amount is paid by the Authority to the Boston Metropolitan District on the same date in reduction of principal. (Issued under Section 8A(c), Chapter 544, Acts of 1947 as amended.)

The equivalent of interest on this bond is provided for by the Metropolitan Transit Authority Rapid Transit note, dated August 3, 1949, wherein the Authority promises to pay to the City of Boston on behalf of the District, and in its place and stead, the actual interest on City of Boston Transit debt, less income collected on the City's transit debt sinking funds.

- E Construction bond. Original issue \$7,650,000. payable \$102,000. annually on November 21 to and including November 21, 1978 and one payment of \$4,692,000. on November 25, 1979. The \$102,000. annual amount is paid by the State to the Authority each November 20 and a like amount is paid by the Authority to the Boston Metropolitan District on each November 21 in reduction of principal. (Issued under Section 8A(j), Chapter 544, Acts of 1947 as amended.)

The interest payable on this bond is the interest payable on Boston Metropolitan District bonds issued to purchase this bond.

- F Equipment serial bonds. Original issue \$403,000. payable semi-annually \$13,000. on June 1 and \$14,000. on December 1. (Issued under Section 22, Chapter 544, Acts of 1947 as amended)
- G Construction bond. Original issue \$1,000,000. dated April 15 1950 paid March 1, 1951 and renewed for \$986,666.67. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.) 1/75th of the principal amount is payable annually (\$13,333.33 and 34 cents every third year) on March 1 by the Authority to the Boston Metropolitan District and a like amount is paid by the State to the Authority each November 20.

The interest payable on this bond is the interest payable on Boston Metropolitan District bonds issued to purchase this bond.

- H Construction bond. Original issue \$4,500,000. payable \$60,000. annually on March 1 to and including March 1, 1980 and one payment of \$2,760,000. on March 1, 1981. The \$60,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1st and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 8A(j), Chapter 544, Acts of 1947 as amended.)
- I Construction bond. Original issue \$825,000. payable \$11,000. annually on March 1 to and including March 1, 1980 and one payment of \$506,000. on March 1, 1981. The \$11,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1st and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)
- J Equipment serial bonds. Original issue \$1,074,000. payable annually \$108,000. March 1, 1952 to 1955 inclusive, \$107,000. March 1, 1956 to 1961 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)

NOTES ON FUNDED DEBT - Continued

- K Equipment serial bonds. Original issue \$1,673,000. payable annually, as follows:
\$83,000. March 1, 1952 to 1955 inclusive.
\$84,000. March 1, 1956 to 1962 inclusive.
\$83,000. March 1, 1963, March 1, 1966, March 1, 1969
\$84,000. March 1, 1964, 1965, 1967, 1968, 1970 and 1971
(Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- L Equipment serial bonds. Original issue \$3,817,000. payable annually, as follows:
\$128,000. March 1, 1952 to 1955 inclusive.
\$127,000. March 1, 1956 to 1962 inclusive.
\$128,000. March 1, 1963, 1966, 1969.
\$127,000. March 1, 1964, 1965, 1967, 1968.
\$127,000. March 1, 1970 to 1981 inclusive.
(Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- M Construction bond. Original issue \$1,650,000. payable \$22,000. annually on January 15, to and including January 15, 1981 and one payment of \$1,012,000. on January 15, 1982. The \$22,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each January 15th and a like amount is paid by the State to the Authority on each November 20.
(Issued under Section 8A(j), Chapter 544, Acts of 1947 as amended.)
- N Equipment serial bonds. Original issue \$592,000. payable annually \$65,000. January 15, 1953 and 1954, and \$66,000. January 15, 1955 to 1961 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- O Construction bond. Original issue \$1,125,000. payable \$15,000. annually on March 1 to and including March 1, 1982 and one payment of \$690,000. on March 1, 1983. The \$15,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 8A(j), Chapter 544, Acts of 1947 as amended.)
- P Construction bond. Original issue \$2,400,000. payable \$32,000. annually on March 1 to and including March 1, 1982 and one payment of \$1,472,000. on March 1, 1983. The \$32,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)
- Q Equipment serial bonds. Original issue \$562,000. payable annually \$58,000. March 1, 1954, \$56,000. March 1, 1955 to 1963 incl. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- R Equipment serial bonds. Original issue \$166,000. payable annually \$16,000. March 1, 1954, \$15,000. March 1, 1955 to 1964 incl. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- S Equipment serial bonds. Original issue \$1,545,000. payable annually \$108,000. March 1, 1954 to 1958, \$102,000. March 1, 1959 to 1961, \$97,000. March 1, 1962 to 1964, \$46,000. March 1, 1965 to 1967, \$45,000. March 1, 1968 to 1973 incl. (Issued under Section 22, Chapter 544, Acts of 1947 as amended. For capital additions or improvements to passenger-carrying rolling stock.)
- T Construction bond. Original issue \$750,000. payable \$10,000. annually on March 1 to and including March 1, 1984 and one payment of \$450,000. on March 1, 1984. The \$10,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)

NOTES ON FUNDED DEBT - CONTINUED

- U Equipment serial bonds. Original issue \$98,000. payable annually \$8,000. March 1, 1955, \$10,000. March 1, 1956 to 1964 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- V Equipment serial bonds. Original issue \$156,000. payable annually \$20,000. March 1, 1955, \$17,000. March 1, 1956 to 1963 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- W Equipment serial bonds. Original issue \$231,000. payable annually \$16,000. March 1, 1956-59-62-65-68-70; \$15,000. March 1, 1957-58-60-61-63-64-66-67-69. (Issued under Section 22, Chapter 544, Acts of 1947 as amended).

A-B-F-J-K-L-N-Q-R-S-U-V-W Equipment serial bonds

C Authority vs. District refinancing August 3, 1949

D Subway purchase August 3, 1949 (City of Boston)

E East Boston Rapid Transit Subway Alterations and Off-street parking facilities

G Tremont Subway addition (Park St. to Scollay Square - preliminary plans) and Alterations

H-M East Boston Rapid Transit

I Washington Tunnel Extensions (preliminary plans) and Alterations

O East Boston Rapid Transit, Off-Street Parking Facilities

P E.B.R.T. Extension to Revere and Cambridge Subway Extension (preliminary plans)

T E.B.R.T. Extension to Revere

METROPOLITAN TRANSIT AUTHORITY

STATEMENT OF INCOME AND THE COST OF THE SERVICE
YEAR ENDED DECEMBER 31, 1955

Income:

Revenue from transportation.....	\$37,249,071.08	
Revenue from other operations.....	<u>941,116.93</u>	
Total operating revenue.....	38,190,188.01	
Non-operating income.....	<u>112,087.26</u>	
Total income		\$38,302,275.27

Operating Expenses:

Way and structures:		
Salaries and wages.....	\$3,009,134.60	
Other	<u>1,266,050.85</u>	4,275,185.45
Equipment:		
Salaries and wages.....	2,315,729.47	
Other	<u>1,518,317.98</u>	3,834,047.45
Power:		
Salaries and wages.....	1,046,527.16	
Other	<u>2,101,419.50</u>	3,147,946.66
Conducting transportation:		
Salaries and wages.....	19,890,327.41	
Other	<u>549,120.29</u>	20,439,447.70
Traffic:		
Other	<u>96,282.89</u>	96,282.89
General:		
Salaries and wages.....	2,053,129.95	
M. T. A. Retirement Fund....	1,675,047.21	
Other	<u>2,918,529.20</u>	6,646,706.36
Total operating expenses (including allowance of \$1,200,000.00 for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned - Note B)		<u>38,439,616.11</u>
Loss before other deductions		137,341.16

Other deductions:

Taxes assignable to transportation operations....	767,649.62	
Interest on funded debt (Note E)	3,633,709.81	
Payment on funded debt-B. M. D. (Note E)	1,864,000.00	
Cambridge subway rental.....	388,323.34	
Other deductions.....	<u>10,187.20</u>	
Total other deductions		<u>6,663,869.97</u>
Loss resulting from operations		6,801,211.13

Profit and loss items:

Dividend on compensation insurance	60,000.00	
Adjustment of outstanding ticket liability	20,000.00	
Gain from disposal of land.....	<u>6,576.58</u>	86,576.58
Loss for the Year (excess of the cost of the service over income)		<u>\$6,714,634.69</u>

(see accompanying notes to financial statements)

METROPOLITAN TRANSIT AUTHORITY

OPERATING EXPENSES
YEAR ENDED DECEMBER 31, 1955

Way and structures:

Superintendence.....	\$447,852.74
Maintenance of roadway and track	1,316,370.69
Removal of snow and ice.....	55,943.31
Tunnels and subways	84,203.44
Elevated structures and foundations	104,304.72
Bridges, trestles and culverts.....	35,648.98
Crossings, fences and signs.....	19,433.35
Signals and interlockers.....	62,779.62
Communication systems.....	27,923.88
Miscellaneous way expenses.....	262,343.20
Maintenance of electric line equipment	543,880.77
Maintenance of buildings, fixtures and grounds	685,389.13
Depreciation of way and structures.....	600,000.00
Dismantling retired way and structures.....	29,111.62

Total way and structures \$4,275,185.45

Equipment:

Superintendence.....	\$202,999.04
Maintenance of revenue equipment	2,021,639.50
Maintenance of service equipment	17,275.33
Electric equipment of cars and trackless trolleys	496,394.67
Shop equipment	100,729.79
Shop expenses	706,293.16
Maintenance of automotive and misc. equipment.....	60,715.96
Depreciation of equipment.....	228,000.00

Total equipment \$3,834,047.45

Power:

Superintendence.....	\$161,630.74
Maintenance of power plants.....	306,652.32
Depreciation of power plants	372,000.00
Other power plant operating expenses	1,897,185.67
Gasoline and fuel oil for buses.....	410,477.93

Total power \$3,147,946.66

OPERATING EXPENSES - Continued
YEAR ENDED DECEMBER 31, 1955

Conducting transportation:

Superintendence.....	\$2,883,403.77
Passenger car, trainmen and bus operators.....	11,332,054.00
Miscellaneous car and bus service employees.....	364,495.50
Miscellaneous car and bus service expenses	118,448.57
Station employees.....	2,075,405.98
Station expenses	541,421.74
Car house and bus garage employees.....	2,013,022.19
Car house and bus garage expenses	210,025.71
Operation of signal and interlocking apparatus.....	502,978.81
Operation of communication systems.....	21,410.22
Other transportation expenses.....	<u>376,781.21</u>

Total conducting transportation..... \$20,439,447.70

Traffic (promotion and advertising) \$96,282.89

General (administrative and other general
operating expenses):

Salaries and expenses of general officers.....	\$94,446.71
Salaries and expenses of general office clerks.....	1,063,757.35
General office supplies and expenses.....	259,879.88
Law expenses.....	80,521.43
Pensions, retirement fund, gratuities, group health and accident, surgical, life and hospitalization insurance	2,182,864.57
Miscellaneous general expenses	156,283.44
Injuries and damages and expenses relating thereto...	1,626,323.01
Insurance	518,989.59
Stationery and printing.....	134,685.71
Store expenses.....	375,618.99
Service garage expenses and supplies	<u>153,335.68</u>

Total general..... \$6,646,706.36

Total operating expenses... .. \$38,439,616.51

METROPOLITAN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note A--Fixed Assets

The fixed assets acquired from Boston Elevated Railway Company on August 29, 1947 are carried on the books of the Authority at original cost to the Company as shown on its books as of that date. Additions subsequent to August 29, 1947, including the subways, tunnels and other facilities purchased from City of Boston August 3, 1949, are carried at cost to the Authority, the cost of subways, tunnels and facilities purchased from the City of Boston being measured by the amount of the bond issued therefor.

Note B--Reserve for Depreciation

In accordance with the provisions of Section 11 of Chapter 544 of the Acts of 1947 as amended by Section 4 of Chapter 572 of the Acts of 1949, no allowance for depreciation of passenger-carrying rolling stock of the Authority or for obsolescence and losses in respect to such rolling stock after August 2, 1949, is reflected in the accompanying financial statements of the Authority.

On the other hand, as provided by that section (Section 11 of Chapter 544), cost of the service, as reflected in the Statement of Income and the Cost of the Service, includes (1), all sums paid to the Boston Metropolitan District for the year ended December 31, 1955 in reduction or payment of the principal amount of bonds issued by the Authority under either Section 7A or Section 22, as well as (2) such allowance for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned as is contemplated by said Section 11.

The aggregate of charges to cost of the service for the year ended December 31, 1955, with respect to the above-mentioned sums paid on principal of bonds and with respect to depreciation, is less than the amount of depreciation that under conventional accounting procedure and under practices of the Authority, prior to August 3, 1949, would have been charged to the cost of the service.

The Reserve for Depreciation of Property, and for Obsolescence and Losses in respect to Property Sold, Destroyed or Abandoned, includes the aggregate of all debt retirement sums paid after August 2, 1949 under the provisions mentioned above, as well as allowance for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned, except with respect to passenger-carrying rolling stock after August 2, 1949. The balance (\$46,015,563.88) of this account at December 31, 1955 is less than recent surveys have indicated may be required to cover normal depreciation and obsolescence that has accrued on the properties.

Note C--Amortization of Tunnels, Subways and Other Facilities

The credits arising from the reimbursement to the Authority by the Commonwealth of Massachusetts for the principal payments made on bonds issued under paragraphs (c) and (j) of Section 8A of Chapter 544 of the Acts of 1947 as amended and Section 6 of Chapter 649 of the Acts of 1949 as amended (discussed in Note E) are considered to provide for amortization

Note C--Amortization of Tunnels, Subways and Other Facilities - (Continued)

of Tunnels, Subways and Other Facilities, and consequently no provision for depreciation thereof is included in the allowance made by the Trustees in the year 1955 for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned. Such credits amounted to \$4,350,222.28 at December 31, 1955.

Note D--Advance Payment Account of Assessable Deficit

Section 13A of Chapter 544 of the Acts of 1947 which was inserted in said Chapter 544 by Chapter 409 of the Acts of 1954 provides that if during any calendar year the Trustees, in their opinion, have not sufficient cash to make the payments required in the course of their management and operation of the transportation system and other properties under their control, the Trustees may, from time to time during such year, certify to the State Treasurer an amount, which together with all amounts previously paid in such year to the Authority under this section, shall not exceed the amount by which the income of the Authority has failed to meet the cost of the service as estimated by the Trustees for that portion of such year which has expired up to the date of such certification; and that the Commonwealth shall thereupon pay over to the Authority the amount so certified; and that such payments shall be treated as payments on account of the deficiency as of the last day of said calendar year.

In November 1955, after certification by the Trustees, an advance payment was made to the Authority in the amount of \$2,500,000.

Note E--Funded Debt

Section 7 of Chapter 544 of the Acts of 1947 as amended, provided that bonds of the Authority and bonds of the Boston Elevated Railway Company assumed by the Authority should be cancelled at their respective maturity dates, or prior thereto, to the extent that bonds of the Boston Metropolitan District issued to provide funds for the purchase thereof had been retired, or their retirement provided for, through interest payments made by the Company or by the Authority in excess of the amounts required to pay the interest on the District's bonds. At August 3, 1949, \$26,513,545.11 of such bonds of the District had been retired, or their retirement provided for.

Pursuant to refinancing provisions of Section 7A of Chapter 544 of the Acts of 1947 as amended, bonds of the Authority (other than bonds issued under Section 22 and Section 8A) and bonds of the Boston Elevated Railway Company assumed by the Authority, with an aggregate principal amount of \$97,931,917. were cancelled August 3, 1949 and a new bond for \$71,418,371.89 issued to the Boston Metropolitan District. The principal amount of this new bond was equal to the difference between the principal amount of the bonds cancelled and the \$26,513,545.11 referred to in the preceding paragraph. The new bond is payable in 142 installments of \$500,000. each, on December 1 and June 1. The first installment was paid on December 1, 1949, and the final installment, \$418,371.89, is payable on December 1, 2020 (see notes to Statement of Funded Debt attached). Interest is payable on the new bond in amounts equal to the interest on bonds of the Boston Metropolitan District which may be outstanding from time to time, and the accrued interest on funded debt as shown on the balance sheet reflects the accrued unpaid liability for interest on this bond at December 31, 1955.

Note E--Funded Debt - (Continued)

Payments in reduction of the principal of the new bond of the Authority issued under said Section 7A (\$1,000,000.) and in payment of bonds of the Authority issued under Section 22 of said Chapter 544 (\$864,000.) were included in the cost of the service for the year ended December 31, 1955 as provided in Section 11 of said Chapter 544.

On August 3, 1949, the Authority acquired the subways and other transit properties of the City of Boston under the provisions of Section 8A inserted in Chapter 544 of the Acts of 1947 by Chapter 572 of the Acts of 1949. Reference should be made to said Section 8A for the details of the transaction whereby the Authority on August 3, 1949 issued to the Boston Metropolitan District its bond for \$40,219,445.43 and its note (undertaking to make the payments required of the District on its note to the City) in exchange for District bonds payable to the City of Boston of a like principal amount and a note of the District by which the District undertook, among other things, to pay interest on the City's outstanding transit indebtedness to the extent that such interest exceeded the income of the City's sinking funds available to pay the same, which bonds and note of the District were delivered by the Authority to the City to effect the transfer to the Authority of title to the City's subway and transit properties.

In accordance with the provisions of paragraph (1) of Section 8A of Chapter 544 of the Acts of 1947 as amended and Section 7 of Chapter 649 of the Acts of 1949 as amended, the Commonwealth of Massachusetts is required to pay to the Authority on November 20 of each year after 1949 the amounts previously certified by the Trustees of the Authority as payable by the Authority during such year in reduction of the principal amount of its bonds issued under paragraphs (c) and (j) of Section 8A of said Chapter 544 and Section 6 of said Chapter 649 (for subways, tunnels and other facilities). The amount certified to the Treasurer by the Trustees of the Authority is assessed on the cities and towns constituting the Authority. On November 21, 1955, the Authority received from the Commonwealth of Massachusetts the amount of \$801,592.60 which had been certified by the Authority as payable during the year 1955.

In the Statement of Income and the Cost of the Service for the year ended December 31, 1955, the caption "Interest on Funded Debt" includes: (1) interest accrued during the year on the Authority's bonds issued under Sections 7A, 8A(j), and 22 of Chapter 544 and Section 6 of Chapter 649; and (2) payments actually made during the year to the City of Boston in accordance with the Authority's note to the District issued under Section 8A(c) of said Chapter 544.

As of December 31, 1955, the Authority had expended from current treasury funds, \$1,954,954.05 for the purchase of 100 new diesel buses. Reimbursement to the Authority will be made in 1956 from the proceeds of bonds to be issued under Section 22 of Chapter 544 of the Acts of 1947 as amended.

